

111TH CONGRESS
1ST SESSION

S. 954

To authorize United States participation in the replenishment of resources of the International Development Association, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 1, 2009

Mr. KERRY (for himself and Mr. LUGAR) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

A BILL

To authorize United States participation in the replenishment of resources of the International Development Association, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “World Bank Inter-
5 national Development Association Replenishment Act of
6 2009”.

7 **SEC. 2. DEFINITIONS.**

8 In this Act:

9 (1) GREENHOUSE GAS.—The term “greenhouse
10 gas” means carbon dioxide, methane, nitrous oxide,

1 sulfur hexafluoride, a perfluorocarbon, or a
2 hydrofluorocarbon.

3 (2) MULTILATERAL DEVELOPMENT BANK.—

4 The term “multilateral development bank” has the
5 meaning given that term in section 1307 of the
6 International Financial Institutions Act (22 U.S.C.
7 262m–7).

8 **SEC. 3. EXPANSION OF CLIMATE CHANGE MITIGATION AC-**
9 **TIVITIES OF, AND USE OF GREENHOUSE GAS**
10 **ACCOUNTING BY, MULTILATERAL DEVELOP-**
11 **MENT BANKS.**

12 Title XIII of the International Financial Institutions
13 Act (22 U.S.C. 262m et seq.) is amended by adding at
14 the end the following:

15 **“SEC. 1308. EXPANSION OF CLIMATE CHANGE MITIGATION**
16 **ACTIVITIES OF, AND USE OF GREENHOUSE**
17 **GAS ACCOUNTING BY, MULTILATERAL DE-**
18 **VELOPMENT BANKS.**

19 “(a) USE OF GREENHOUSE GAS ACCOUNTING.—The
20 Secretary of the Treasury shall seek to ensure that multi-
21 lateral development banks (as defined in section
22 1701(c)(4)) adopt and implement greenhouse gas account-
23 ing in analyzing the benefits and costs of individual
24 projects (excluding those with de minimus greenhouse gas
25 emissions) for which funding is sought from the bank.

1 “(b) SENSE OF CONGRESS.—It is the sense of Con-
 2 gress that adopting and implementing greenhouse gas ac-
 3 counting includes—

4 “(1) calculating net greenhouse gas flows;

5 “(2) establishing uniform calculation tech-
 6 niques, with provision for modification as profes-
 7 sional standards evolve;

8 “(3) making public the calculation techniques
 9 and calculations;

10 “(4) measuring greenhouse gas emissions of in-
 11 dividual projects;

12 “(5) considering global social costs of the emis-
 13 sions when evaluating the economic cost benefit of
 14 such projects; and

15 “(6) performing greenhouse gas accounting for
 16 each such project.

17 “(c) EXPANSION OF CLIMATE CHANGE MITIGATION
 18 ACTIVITIES.—The Secretary of the Treasury shall work
 19 to ensure that the multilateral development banks (as de-
 20 fined in section 1701(c)(4)) expand their activities sup-
 21 porting climate change mitigation by—

22 “(1) expending support for investments in en-
 23 ergy efficiency and renewable energy;

24 “(2) reviewing all proposed infrastructure in-
 25 vestments to ensure that all opportunities for inte-

1 grating viable energy efficiency measures have been
2 considered;

3 “(3) increasing the dialogue with the govern-
4 ments of developing countries regarding—

5 “(A) analysis and policy measures needed
6 for low carbon emission economic development;
7 and

8 “(B) reforms needed to promote private
9 sector engagement in renewable and energy effi-
10 ciency investments; and

11 “(4) integrate low carbon emission economic de-
12 velopment objectives into multilateral development
13 bank country strategies.

14 “(d) REPORT TO CONGRESS.—Not later than 1 year
15 after the date of the enactment of this section, and annu-
16 ally thereafter, the Secretary of the Treasury shall submit
17 a report on the status of efforts to implement this section
18 to the Committee on Foreign Relations of the Senate and
19 the Committee on Financial Services of the House of Rep-
20 resentatives.”.

21 **SEC. 4. ANTI-CORRUPTION CAPACITY BUILDING.**

22 The Secretary of the Treasury shall instruct the
23 United States Executive Director at the World Bank to—

24 (1) urge the World Bank to help countries build
25 capacity to investigate, adjudicate, and punish cor-

1 ruption and all crimes in a manner consistent with
2 well-established law enforcement and judicial norms;
3 and

4 (2) actively promote efforts to enhance and ex-
5 tend programs that improve recipient countries' abil-
6 ity to prevent, investigate, and prosecute fraud and
7 corruption, including in projects funded by the
8 World Bank, through initiatives aimed at—

9 (A) building institutional capacity across
10 recipient country government agencies;

11 (B) improving transparency and account-
12 ability mechanisms throughout government;

13 (C) promoting public education of the costs
14 of corruption;

15 (D) encouraging recipient countries to
16 adopt enforceable sanctions;

17 (E) supporting the judicial sector in low-
18 income countries to include investigative and
19 prosecutorial functions of the criminal justice
20 system, as permitted by determinations of non-
21 interference in political matters required by the
22 World Bank Articles of Agreement; and

23 (F) developing additional tools for the de-
24 tection of fraud and corruption in World Bank
25 projects as additional preventative measures

1 and to equip recipient countries with more real-
 2 time data to support in-country investigations
 3 at earlier stages of the project cycle.

4 **SEC. 5. REPORTS ON PROCESS TO ADDRESS INSPECTION**
 5 **FUNCTIONS WITHIN THE MULTILATERAL DE-**
 6 **VELOPMENT BANKS.**

7 The Secretary of the Treasury shall instruct the
 8 United States Executive Director at each multilateral de-
 9 velopment bank to use the voice and vote of the United
 10 States to—

11 (1) encourage the World Bank Inspection
 12 Panel, the Compliance Advisor Ombudsman of the
 13 International Finance Corporation and Multilateral
 14 Investment Guarantee Agency, the African Develop-
 15 ment Bank Independent Review Mechanism, the
 16 InterAmerican Development Bank Independent In-
 17 vestigation Mechanism, the Asian Development
 18 Bank Accountability Mechanism, and the European
 19 Bank for Reconstruction and Development Inde-
 20 pendent Recourse Mechanism to include, if not done
 21 already, in their respective publications, an assess-
 22 ment of—

23 (A) the number of cases, key findings, and
 24 outcomes of completed inspection processes;

1 (B) the level and extent of participation of
 2 requesters and other affected people in the com-
 3 pliance investigation process, including the ex-
 4 tent to which their concerns were raised before
 5 the Board and senior management of the bank;

6 (C) the level and extent of participation of
 7 requesters and other affected people in the
 8 problem-solving process, where applicable; and

9 (D) inclusion of stakeholders in the cre-
 10 ation of action plans or remedial agreements
 11 to—

12 (i) remedy identified violations of the
 13 policies and procedures of the bank; and

14 (ii) address outstanding issues identi-
 15 fied in a problem-solving process, if appli-
 16 cable; and

17 (2) strengthen the inspection mechanism in
 18 such development banks where the Department of
 19 the Treasury has identified weaknesses.

20 **SEC. 6. EVALUATION.**

21 (a) IN GENERAL.—The Secretary of the Treasury
 22 shall seek to ensure that multilateral development banks—

23 (1) rigorously evaluate the development impact
 24 of selected bank projects, programs, and financing
 25 operations; and

1 (2) use random assignment in conducting the
2 evaluations described in paragraph (1), to the extent
3 feasible.

4 (b) SENSE OF CONGRESS.—It is the sense of Con-
5 gress that—

6 (1) multilateral development banks should rig-
7 orously evaluate the development impact of selected
8 bank projects, programs, and financing operations;

9 (2) the evaluations described in paragraph (1)
10 should—

11 (A) focus strategically on building a body
12 of research-proven approaches that have size-
13 able, sustained impacts on important develop-
14 ment outcomes; and

15 (B) use random assignment to the extent
16 feasible; and

17 (3) multilateral development banks should issue
18 an annual report or similar publication with details
19 about—

20 (A) the questions being addressed;

21 (B) the rationale for selecting the projects,
22 programs, and financing operations that are
23 being evaluated;

24 (C) the methodologies used in the evalua-
25 tions; and

1 (D) the findings from the completed eval-
2 uations.

3 **SEC. 7. INTERNATIONAL DEVELOPMENT ASSOCIATION.**

4 The International Development Association Act (22
5 U.S.C. 284 et seq.) is amended by adding at the end the
6 following:

7 **“SEC. 24. FIFTEENTH REPLENISHMENT.**

8 “(a) The United States Governor of the International
9 Development Association is authorized to contribute, on
10 behalf of the United States, \$3,705,000,000 to the fif-
11 teenth replenishment of the resources of the Association,
12 subject to obtaining the necessary appropriations.

13 “(b) In order to pay for the United States contribu-
14 tion provided for in subsection (a), there are authorized
15 to be appropriated \$3,705,000,000 for payment by the
16 Secretary of the Treasury.

17 **“SEC. 25. MULTILATERAL DEBT RELIEF.**

18 “(a) The Secretary of the Treasury is authorized to
19 contribute, on behalf of the United States, not more than
20 \$356,000,000 to the International Development Associa-
21 tion for the purpose of funding debt relief under the Multi-
22 lateral Debt Relief Initiative in the period governed by the
23 fifteenth replenishment of resources of the International
24 Development Association, subject to obtaining the nec-
25 essary appropriations and without prejudice to any fund-

1 ing arrangements in existence on the date of the enact-
 2 ment of this section.

3 “(b) In order to pay for the United States contribu-
 4 tion provided for in subsection (a), there are authorized
 5 to be appropriated, without fiscal year limitation, not more
 6 than \$356,000,000 for payment by the Secretary of the
 7 Treasury.

8 “(c) In this section, the term ‘Multilateral Debt Re-
 9 lief Initiative’ means the proposal set out in the G8 Fi-
 10 nance Ministers’ Communiqué entitled ‘Conclusions on
 11 Development,’ done at London, June 11, 2005, and re-
 12 affirmed by G8 Heads of State at the Gleneagles Summit
 13 on July 8, 2005.’”.

14 **SEC. 8. COORDINATION OF DEVELOPMENT POLICY.**

15 (a) STUDY.—The Secretary of the Treasury, in co-
 16 ordination with the Secretary of State, the Administrator
 17 of the United States Agency for International Develop-
 18 ment, and other Federal agencies, as appropriate, shall
 19 conduct a study on the respective roles each agency plays
 20 in the formulation of United States policy concerning the
 21 development policy, programs, and activities of the World
 22 Bank Group.

23 (b) REPORT.—

24 (1) SUBMISSION.—Not later than 1 year after
 25 the date of the enactment of this Act, the Secretary

1 of the Treasury shall submit a report that includes
2 the results of the study conducted under subsection
3 (a) to—

4 (A) the Committee on Foreign Relations of
5 the Senate; and

6 (B) the Committee on Financial Services
7 of the House of Representatives.

8 (2) CONTENTS.—The report submitted under
9 paragraph (1) shall specifically address and evaluate
10 the degree and extent of interagency coordination in
11 the formulation and implementation of United
12 States policy relating to the development activities of
13 the World Bank Group.

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